

# Line-Item Veto will Not Hide Republican Fiscal Recklessness: Republicans are Not Serious About Fiscal Responsibility

Republicans have turned record surpluses have turned into record deficits. And now Republicans are trying to run away from and hide their failed record of fiscal irresponsibility, by turning to a budget process proposal - the line-item veto.

This effort on the line-item veto is really an acknowledgment by the Republican Majority that they have failed to lead the nation on fiscal matters - failing to pass a budget this year for the second time in three years and voting against meaningful budget controls. Instead Republicans have increased earmarked projects in federal spending, decreased oversight of the Bush Administration, and voted against cracking down on waste, fraud and abuse.

Unfortunately, the line-item veto will not get us out of the huge fiscal hole that Republicans have dug. "It's all a pathetic attempt to look tough while avoiding the tried-and-true - and truly tough - deficit fix: reinstating the original pay-as-you-go rules."  
[New York Times, 6/19/06]

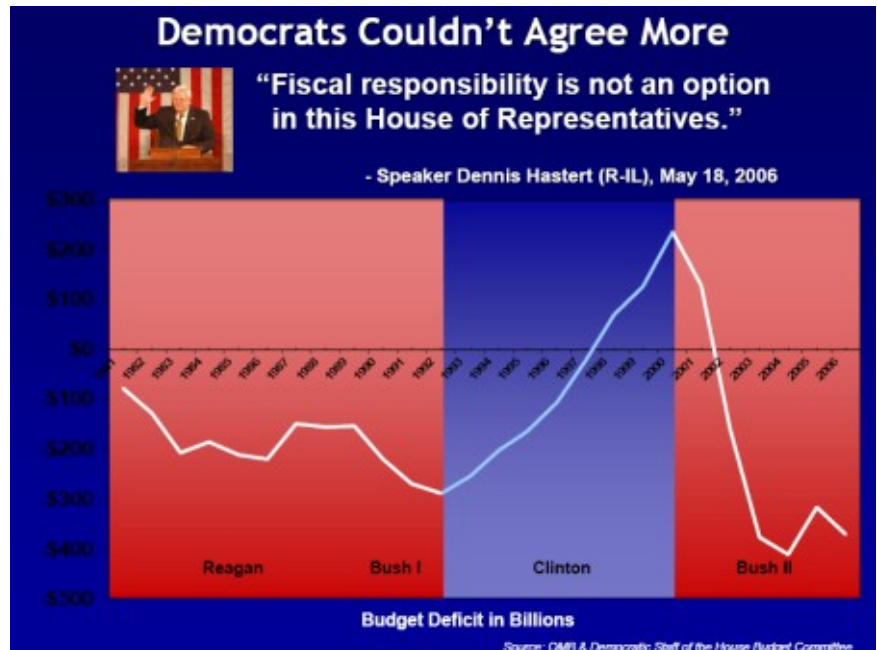
Democrats have a New Direction for America, which means turning away from the irresponsible deficit spending by President Bush and the Republican Congress that has added \$3 trillion in new debt. We will restore the proven budget discipline that eliminated deficits and generated record economic growth.

## Republican fiscal irresponsibility and lack of oversight results in skyrocketing deficits and debt

As a result of the fiscal responsibility of both the Bush Administration and the Republican Congress, record-high budget deficits four years in a row have ballooned the federal debt to \$8.3 trillion, much of which is borrowed from foreign countries.

The Bush Administration has turned a \$5.6 trillion surplus into a \$3.2 trillion deficit - a \$8.8 trillion fiscal reversal.

When the Bush Administration came into office in January 2001, there was a projected 10-year surplus of \$5.6 trillion thanks to President Clinton's policies. After just five years of a Republican President and a Republican Congress, the projected deficit for the same time period has reached \$3.2 trillion.



Under the Republicans, the national debt is skyrocketing - with Republicans having had to raise the debt limit four times since 2001 by a total of \$3 trillion. Due to fiscally irresponsible GOP policies, under President Bush, Congress has had to raise the debt limit four separate times by a total of \$3 trillion. This raised the debt limit up to \$8.97 trillion.

President Bush has also now borrowed more money from foreign nations than previous 42 U.S. Presidents combined. In the last five years alone, President Bush has borrowed a staggering \$1.05 trillion from foreign nations - larger than the total from all the previous 42 Presidents. Since 2001, nearly three quarters of the new debt has been financed by foreign government and lenders.

## Republicans failed to pass a budget this year & let budget controls lapse

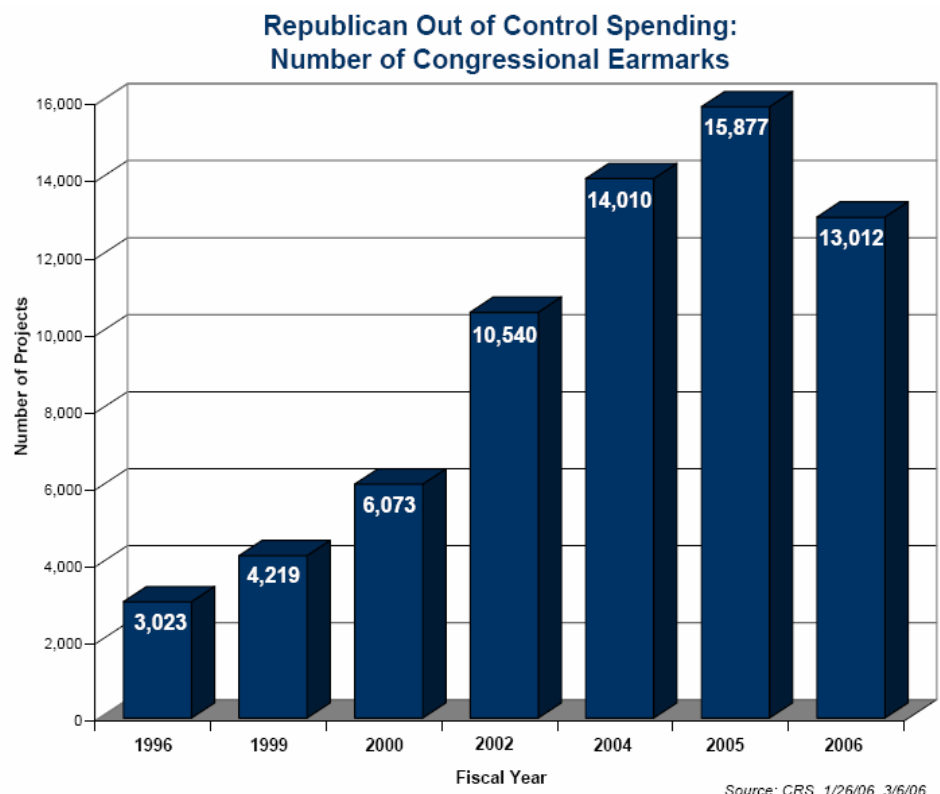
In two of the last three years, Republicans have failed to pass a final budget resolution. This is the first time in history that has happened when the same party controls the White House, the Senate, and the House of Representatives (FY 2007 & FY 2005). Failure to produce a final budget by the Republicans is failure to meet the most basic responsibility of any government, and is one of the reasons their fiscal policies are out of control.

Republicans have blocked efforts to restore the budget discipline of the 1990s that helped eliminate deficits -- turning a \$290 billion budget deficit in 1992 into budget surpluses in 1998, 1999, 2000 and 2001 -- and spur record economic growth. [2004 Vote #97, 3/30/04; 2004 Vote #145, 5/5/04; 2004 Vote #534, 11/18/04; 2006 Vote #153, 5/17/06]

## Earmarks have dramatically increased with the Republican Majority

Republicans came into office saying that they would "restore fiscal responsibility to an out-of-control Congress", and yet since FY1996 the number for earmarks has grown from 3,023 to 13,012 in FY 2006, including the infamous Bridge to Nowhere in Alaska. [CRS, 1/26/06; 3/6/06; NYT, 5/28/06]

"Since Bush took office federal spending on earmarks has more than doubled too - from \$33 billion in 2000 to \$67 billion in 2006." [CRS, 3/6/06; NYT, 5/28/06]



As conservative columnist Robert Novak pointed out, "Republican...leaders...voted to preserve earmarks. Ironically, the House Budget Committee on Wednesday approved a line-item veto enabling President Bush to eliminate earmarks.... In the House, one conservative reformer commented to another seated beside him, 'With this leadership, we never will get rid of earmarks.'" [Chicago Sun-Times, 6/19/06]

"...[Lewis has] hunkered down as one of the GOP's spenders-in-chief, presiding over multiplying earmarks and chopping to bits the party's reputation as fiscal conservatives." [Wall Street Journal editorial, 4/13/06]

## Under Republican Rule, waste, fraud, and abuse has run amok with little oversight

*"Our party controls the levers of government. We're not about to go out and look beneath a bunch of rocks to try to cause heartburn. Unless they really screw up, we're not going to go after them."* - Republican Rep. Ray LaHood [CO Weekly, 5/21/04]

*The decline of oversight hearings on Capitol Hill reflects what many of the commentators called a loss of institutional pride in Congress. Majority Republicans see themselves first and foremost as members of the Bush team -- and do not want to make trouble by asking hard questions."* -- David Broder [Washington Post, 9/4/05]

The GAO reports that 19 of 24 federal agencies are not in compliance with all federal accounting audit standards and cannot fully explain how they have spent taxpayer money appropriated by Congress.

### Iraq/Halliburton No-Bid Contracts

- ➡ Halliburton has been awarded contracts worth more than \$17 billion for work in Iraq. Government auditors have challenged more than \$1.4 billion of Halliburton's charges, citing the company's "profound systemic problems," "exorbitant indirect costs," "misleading" cost reports, "lack of cost control" and an "obstructive" corporate attitude toward oversight. Former Halliburton employees testified that the company charged \$45 for cases of soda, billed \$100 to clean 15-pound bags of laundry, and insisted on housing its staff at a five-star hotel in Kuwait. [House Government Reform Committee Minority Staff, 3/28/06]
- ➡ And yet, Republicans in Congress have stymied investigations into how Halliburton received its secret, no-bid contracts and voted along party lines not to subpoena communications between the Pentagon and Vice President Cheney's office on this issue.
- ➡ Vice President Cheney's former company, Halliburton, has been the fastest-growing federal contractor under the Bush Administration. From 2000 to 2005, Halliburton's federal contracts increased by a staggering 672%, to nearly \$6 billion. [House Government Reform Committee Minority Staff, 6/19/06]

- ➡ Earlier this year, 95 percent of Republicans voted to permit the Administration to use funds in the Supplemental spending bill to award new contracts to companies that have overcharged the government by \$100 million or more in Iraq. [HR 4939, Vote #60, 3/16/2006; failed 193-225]

## Katrina - FEMA Emergency Assistance

- ➡ FEMA may have misspent more than \$1 billion in duplicate, erroneous or otherwise improper disaster assistance payments after Hurricane Katrina. That is because before Katrina, a long-neglected FEMA failed to put in place effective fraud control measures, and afterwards provided \$2,000 in disaster assistance via debit card, check or electronic transfer - to affected individuals, without the ability to verify the personal information to determine eligibility. [GAO, Expedited Assistance for Victims of Hurricanes Katrina and Rita, June 2006]
- ➡ A recent GAO report found the debit cards were in some cases used to purchase items including services at a massage parlor previously raided on prostitution charges, a tattoo, partial payment for a bail bond and to pay off traffic tickets. [GAO, Testimony before Senate Committee on Homeland Security and Governmental Affairs, 2/13/06]
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## Department of Homeland Security

- ➡ Reports have disclosed significant evidence of contract waste, fraud, and abuse at the Department of Homeland Security - with millions or in some cases billions of dollars potentially wasted on contracts to hire airport screeners, to detect explosives in airline baggage, to install nuclear detection equipment at ports, and to install cameras and sensors along the nation's borders.
- ➡ Rep. Waxman made four separate requests in 2005 for hearings by the Government Reform Committee to probe these contract abuses, but Republicans have held no hearings.
- ➡ The House Committee on Homeland Security has examined how DHS handled installation of border cameras and sensors, but has failed to look at these other contracting problems at Homeland Security. They have failed to conduct any real oversight, even though the Department of Homeland Security presents special challenges. DHS is a new agency, with decentralized contracting and inadequate staffing and their contracts have more than doubled from FY 01 to FY 2004.
- ➡ No committee in either the House or the Senate has conducted a comprehensive review of alleged procurement problems at the Department of Homeland Security, assessed responsibility for these abuses, or made recommendations regarding how to prevent future abuses.

## Conservatives have criticized Republican fiscal irresponsibility

***Ed Crane, founder and president of the Cato Institute***

{Bush's} fiscal record is appalling. [Quoted in Bruce Bartlett's book, *Imposter: How George W. Bush Bankrupted America and Betrayed the Reagan Legacy*]

***Stephen Moore, Conservative Strategist and head of the Free Enterprise Fund***

The GOP has lost credibility with the public at large, and conservatives in particular, over their stewardship of the budget. [Human Events Online, 2/11/05]

In his first term, President Bush enacted budgets that were among the most fiscally reckless in a quarter century. The budget grew at twice the pace that it did under Bill Clinton. The Reaganite tight-fisted rhetoric of the Bush Administration in the first term was belied by the reality of the fiscal meltdown in Washington. Bloated Bush budgets, which were only padded with more grease and fat by Congress, created spending growth not matched by any President since LBJ, and a soaring budget deficit of \$400 billion. [Human Events Online, 2/11/05]

***Bruce Bartlett, economist and official from the Reagan and G.H.W. Bush Administration***

George W. Bush has turned out to be one of the most free-spending presidents on record, even after discounting the effects of the Iraq war and post-9/11 homeland security requirements. Apparently, there is no pork barrel program so egregiously unjustified that he won't sign it into law. [Imposter: How George W. Bush Bankrupted America and Betrayed the Reagan Legacy, pg. 130]

***National Review Online, Editorial***

We all know the litany that got us to this point: Bush has never vetoed a congressional spending bill, even as Congress has agreed to fund an estimated 14,000 pork projects, up from around 1,000 in 1996; he has presided over a federal spending increase of 33 percent since 2001, with 55 percent of the increase in the last two years unrelated to defense, according to Brian Riedl of the Heritage Foundation; and he created a new entitlement, signing a \$500 billion prescription-drug bill. [National Review Online, 9/23/05]

***Richard Viguerie, conservative strategist and former head of the Moral Majority***

But over time, most of them turned into the sort of unprincipled power brokers they had ousted in 1994. They lost interest in furthering conservative ideas, and they turned their attention to getting their share of the pork. [Washington Post, 5/21/06]

***Heritage Foundation***

The past four years have seen the sharpest growth in [federal] spending per household since the Johnson Administration, when the Great Society programs were enacted. [Heritage Foundation, *Federal Revenue & Spending: A Book of Charts*; May 2006]

***Jack Kemp, former Republican Member of Congress and Vice Presidential Candidate***

The Republican-controlled Congress also continues to spend money like a drunken sailor. [Human Events Online, 8/2/05]

***Cal Thomas, conservative columnist***

That any Republican majority could preside over such fiscally irresponsible spending ought to be grounds for revoking their party membership. [Townhall.com, 3/21/06]